



# Rural Development



## 2000 Progress Report



# Contents



Cover photo: Huts called "Yurts" used as lodging for guests at Salmon River Cross Country Ski Resort in Redfield, Oswego Co., NY. Project funded by B&I Guaranteed Program in 1998.

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*NY State Director James B. Bays*

## **A Message from New York Rural Development State Director, James B. Bays**

Ask urban residents what they think of when they hear the word "rural" and they'll likely mention farms or forests or streams. Although these words conjure up bucolic images much different than those of the bustling city, rural areas are in fact struggling with many of the same problems facing urban areas. However, in most cases rural communities do not have the level of resources that urban jurisdictions do to comprehensively and cohesively tackle these problems. In fact, many people with full-time jobs in rural areas serve as local officials on a part-time basis. USDA Rural Development's mission is in part to leverage local resources by facilitating community development strategic planning that can begin addressing problems such as inadequacy of infrastructure, substandard housing and undercapitalized businesses. Then, sources including USDA Rural Development, can be approached about providing the necessary funds to invest in those traditional areas of need.

However, as we hurtle down the information superhighway new areas of need become evident. Rural areas lag behind urban areas in being "wired" to take advantage of the technology that has been, and will be, developed. One innovative program that Rural Development has used to help bridge the technology gap is the Distance Learning Telemedicine Program. Through this program, resources at larger schools, hospitals and medical facilities can be shared with rural schools and medical centers to provide much-needed educational and health care resources to rural residents. In the pages of this report you will read how this program is being used in New York State.

Over the past eight years, our country has experienced one of the most extraordinary periods of economic prosperity and growth in its history. However, some areas have fared better than others during this time, and rural areas in particular are especially vulnerable to the vagaries of the economy. USDA Rural Development will continue to be poised to assist rural areas in receiving their fair share of resources. Here in New York, I am proud of what assistance we have provided during the eight years of the Clinton/Gore Administration. In measurable terms, nearly \$1 billion in program assistance which, when considering leveraged funds from other sources, swells to nearly \$1.5 billion. Considering the multiplier effect, the financial impact in New York is well over \$3 billion.

As my tenure serving Rural Development comes to a close, I feel privileged to have served as State Director these past 7 1/2 years. I leave with confidence in knowing that the highly skilled and dedicated staff of Rural Development New York continue to serve Rural New Yorkers in ways befitting the "People's Department".

### **New York Rural Development Highlights**

- **Designated 2 Champion Communities in Western New York -- Chadwick Bay Leadership Network and South Central-Southwestern Steuben County.**
- **Disbursed over \$44 million in program funds, and when considering leveraged funds, over \$81 million while actively implementing the joint HUD/USDA Canal Corridor Initiative.**
- **No. 1 in the nation with 6 Distance Learning and Telemedicine loan and grant applications approved.**
- **No. 3 in the nation for water/wastewater grants approved and No. 5 in the nation for water/wastewater loans.**
- **No. 4 in the nation in dollars approved for Community Facilities loan guarantees. No. 5 for direct loans and No. 10 in grants approved.**
- **Created and/or saved 750 jobs through Rural Business-Cooperative Service funds.**
- **Assisted 903 individuals or families to become homeowners by providing over \$44 million in direct and guaranteed housing loans.**
- **Assisted 126 very low-income families and individuals to make necessary repairs to their dwellings by providing over \$1 million in loans and grants.**
- **Processed and approved 11 B&I guaranteed loans -- No. 13 in the nation.**
- **Made our first Rural Business Opportunity Grant (RBOG).**
- **Received a \$550,000 Indian Set-Aside grant for St. Regis Mohawk Tribe.**
- **Funded the construction of 7 Multi-Family Housing projects totaling 145 subsidized units.**



## Community Development

The expansion of Rural Development's role from source lender to community development facilitator became fully developed in Fiscal Year 2000. A full range of community development initiatives complemented Rural Development's ongoing financing programs.

Two of the nation's four **Rural Economic Area Partnership (REAP) Zones** are in New York State -- **Sullivan County/Town of Wawarsing** and **Tioga County**. Both developed benchmarks from their strategic plans and began applying for and receiving funds for projects. During the first year of operation **over \$13,000,000** was invested in these zones from a variety of sources. The Sullivan County/Town of Wawarsing REAP Zone put together funding for a staff to locally coordinate the REAP Zone activities. The Tioga County REAP Zone achieved a fully developed, citizen-led board which meets monthly and is moving forward on a number of initiatives.



*The Tioga Livable Communities task force comprising federal, state and local officials along the banks of the Susquehanna River while touring the Tioga REAP zone.*

Two **Champion Communities** were designated by Rural Development during Fiscal Year 2000 with the signing of a Memorandum of Agreement (MOA) for each area. The **Chadwick Bay Region Champion Community** and the **South Central/Southwest Steuben Champion Community** designations extend the planning and community-building work initiated in the applications made by these communities to the federal **Empowerment Zone/Enterprise Community (EZ/EC) Program**. Champion Communities adhere to the same principles as do EZ/EC's and receive a full complement of technical assistance from Rural Development.



*L-R: Kerry O'Brien, Greenwood Town Supervisor; James Bays, RD State Director; Eva Cunningham, Mayor, Addison signing the MOA for the South Central/ Southwest Steuben Champion Community.*



*L-R: Edward Woloszyn, Pomfret Town Supr.; Wilfred Apps, Dunkirk Town Supr.; Frank Pagano, Mayor, Fredonia; Roberta Keller, Exec. Dir. Chautauqua Opportunities, Inc.; James Bays, RD State Dir.; Mark Thomas, Chautauqua Co. Executive; Thomas Webb, Portland Representative; Timothy Heavern, Mayor, Silver Creek at the Chadwick Bay MOA signing.*

Through the **Canal Corridor Initiative** guided by the Memorandum of Agreement signed between USDA and HUD, Rural Development **invested over \$92,000,000** into the 524-mile Erie Canal Corridor. These funds **leveraged an additional \$49,000,000** for a **total investment** in these communities of **over \$142,000,000**. This total investment is **an increase of over \$23,000,000 from Fiscal Year 1999**.

Rural Development additionally partnered with HUD on the **Hudson River Initiative**, designed to complement the Hudson River's designation under the **American Heritage Rivers** program. In Fiscal Year 2000, Rural Development invested **over \$25,000,000 in rural communities along the Hudson River, leveraging over \$12,000,000** in other funds for a **total investment of over \$38,000,000**.

The goal of these initiatives is to highlight and model the benefits of holistic, community-led visioning and planning. Rural Development's expanding role in community development seeks to ensure that funds are used more effectively and more efficiently in rural communities. Clearly, Rural Development's success in New York State during Fiscal Year 2000 can be measured by more than merely the dollars invested, but by the long term partnerships created and the communities empowered to plan their own futures. Rural Development is proud to be a part of this growing movement towards locally based, strategic, and holistic community development.

## Rural Business-Cooperative Service (RBS)

### Rural Community Economic Development Programs

Rural Business-Cooperative Development Service programs moved in a new direction during Fiscal Year 2000 with the implementation of the **Rural Business Opportunity Grant program (RBOG)**. Very modest funding was available this year for the first time. The RBOG program funds planning and technical assistance projects for the benefit of rural communities under 10,000 population. Emphasis is placed on supporting sustainable economic development, assisting targeted communities and developing programs that can serve as examples of "best practices" for other communities.



*Chelsea Homes, Inc., maker of manufactured homes in Marlboro, Ulster County received a B&I guaranteed loan from the Bank of New York.*

Fiscal Year 2000 continued to see the growth of revolving loan funds capitalized by Rural Development loans and grants. Several Rural Business-Cooperative Service programs can be used to provide funds for relending to small businesses. The primary one is the **Intermediary Relending Program (IRP)**, but small amounts are available through **Rural Business Enterprise Grants (RBEG)** or **Rural Economic Development Grants (RED-G)**. We now have **12** intermediaries offering revolving loan programs funded by the IRP program and **10** intermediaries funded through the RBEG program. **Over \$13.5 million in capital has been provided by Rural Development.**

**Since 1989, intermediaries have made 193 loans to small businesses. This is financing that is not available through banks and other commercial lenders.** In most cases the revolving loan fund is filling the gap between the needs of the business and the amount that a commercial lender will provide. The projects funded required a total of **\$62.2 million** and over **\$52 million was provided by other sources**. However, the **\$10 million provided from RD funds was an essential component without which the projects would not have been completed.** These projects have created **1,417** new jobs and directly impacted a total of **3,878** jobs.

These intermediaries will continue to provide needed small business capital for many years. **Over \$3 million in Rural Development provided capital is available to relend to new businesses**, and as funds are collected from current loans the pool of available loan capital will be replenished.



*L-R: Kathy Klossner, RBS Specialist; LeeAnn Tinney, Business Administrator, Tioga Co. Local Development Corp.; Mike Morse, Director, Tioga Co. Department of Economic Development and Planning at closing of \$300,000 Intermediary Relending Program loan.*

### Fiscal Year 2000 Lending & Grant Activities

The Rural Business-Cooperative Service made a total of **\$24,145,326 in loans, grants and loan guarantees** during the past year. **Demand exceeded our resources in all programs.** Funds from other sources of nearly **\$7,500,000 leveraged** our funds. The loans and grants made helped **create or save 750 jobs.**

## Business & Industry (B&I) Loan Guarantees

Over the years the average size of B&I loan guarantees has stayed fairly steady at around \$1,000,000.

**During Fiscal Year 2000, that size doubled to \$1,988,000.** Loans ranged from \$400,000 to \$4,500,000 with **all but two of the eleven loans being for more than \$1,000,000.** The amount available was about \$3 million less than last year. We were able to partially make up the difference by using the **Community Adjustment Investment Program (CAIP)** and by converting RBEG grant funds to B&I guarantee authority as authorized under the **Rural Community**

**Advancement Program (RCAP)** program. The CAIP funds the B&I program for loans located in counties certified as impacted by the North American Free Trade Agreement and having above average unemployment rates. The **counties of Oswego, Cortland and Clinton** are eligible for this program.

The result of the reduced funding and larger loan size was a reduction in the number of businesses that we could assist. The 11 businesses benefiting from the program this year is the lowest number in many years. **First International Bank** was the most active lender with 4 loans approved. No other lender had more than one new guaranteed loan. First time participants in the program were **Cortland Savings Bank** and **First Niagara Funding, Inc.**

## Rural Business Enterprise Grants (RBEG)

**Nine recipients** received RBEG grants during Fiscal Year 2000. Most grants met one or more of the priorities established by the Rural Cooperative-Development Service. **Grants were made in both REAP zones -- Tioga County and Sullivan County/Town of Wawarsing (Ulster County) -- and within several of the target counties.** One grant was made to **a cooperative** and another for a **technical assistance project benefiting a cooperative.** Two grants assisted in the development of **new marketing opportunities for small farmers.**

The **Town of Gouverneur** in St. Lawrence County received **a grant of \$90,000** to establish a revolving loan fund. The Town has experienced high unemployment rates due to the decline of the manufacturing, mining and agricultural industries in the area. The Town immediately put these funds to work by making loans to small businesses that have the capacity to grow and create new jobs.

**Sullivan County** received a grant of **\$56,000 to develop farm markets** in communities within the **Sullivan-Wawarsing REAP zone.** The grant was used to provide technical assistance in the form of managerial assistance to expand markets in two communities and develop new farm markets in two other communities. The markets provide new sales outlets for area farmers and craftspeople and aid in the implementation of the strategic plan for the REAP zone.

B & I Guaranteed Loans			
County	Borrower	Lender	\$ Amount
Cayuga	Schmidt, Leonard	First International Bank	1,300,000
Dutchess	Sports Center of America, LLC	KeyBank, NA	4,500,000
Erie	Robinson/Fiddler's Green Mfg. Co.	First International Bank	1,918,000
Erie	W. J. Miller Greenhouses, Inc.	First Niagara Bank	2,000,000
Oneida	Miller Woods Dev. Corp./Nirvana	BLC Commercial Capital Corp.	3,500,000
Ontario	26-28 Maple Ave., Inc.	First International Bank	1,100,000
Orleans	Atwater Foods, Inc.	First International Bank	1,200,000
Oswego	Community Sports Complex	BSB Bank and Trust	1,700,000
Saratoga	Corinth Fiber, LLC	HSBC Bank	400,000
Tompkins	Marina Realty of Ithaca, LLC	Cortland Savings Bank	650,000
Ulster	Chelsea Homes, Inc.	The Bank of NY	3,600,000
Total Obligated Funds			\$21,868,000

## Intermediary Relending Program (IRP)

This was a successful year for the **Intermediary Relending Program (IRP)**. We were able to obtain **funds for three intermediaries** with one new fund established and additional funds for two established programs.

The **Port Jervis Community Development Agency** in **Orange County** will be able to establish a revolving loan fund with their **\$250,000 IRP loan**. The fund will serve the **City of Port Jervis**, which has economic problems similar to many small cities. **Loans will be made to develop new businesses to replace the approximately 25 small businesses lost in the city since 1992.**

The **North Country Alliance** and **Tioga County Local Development Corporation (LDC)** are able to continue their established relending program with the additional funds now available to them. The **North Country Alliance** serves **Jefferson, Lewis, Franklin, Hamilton, Clinton, and St. Lawrence** counties. They now have an additional **\$500,000 available** for small business loans. The **Tioga County LDC** serves the **Tioga County REAP zone** and received **\$300,000** in new relending funds.

## Rural Business Opportunity Grants

Our first Rural Business Opportunity Grant was made to the **Sullivan-Wawarsing REAP Corp.** The **grant of \$495,000** came from funds set aside for REAP zones and EZ/EC communities. The RBOG will fund a multi-directional program to extend economic development planning to local communities, provide entrepreneurial and community leadership training. This is a significant step in the communities being able to carry out the strategic plan for development of the REAP zone. **The RBOG program proved to be popular with 9 other communities submitting applications.**

Other RBS Programs			
Rural Business Enterprise Grants			
County	Grantee	Type of Project	\$ Amount
Allegany	Accord Corporation	Tech. Assistance	92,000
Cortland	Dairy One Cooperative	Equip. Purchase	100,000
Delaware	Delaware County Dept. of Econ. Dev.	Revolving Loan Fund	99,000
Delaware	Watershed Ag. Council	Tech. Assistance	57,000
Oswego	Town of Scriba	Waterline to Community Sports Complex	125,000
St. Lawrence	Town of Gouverneur	Revolving Loan Fund	90,000
Steuben, Schuyler, Chemung	REDEC Relending Corp	Revolving Loan Fund	95,000
Sullivan	Sullivan County	Tech. Assistance	56,000
Tioga	Tioga County Local Dev. Corp.	Revolving Loan Fund	18,326
Total Obligated RBEG Funds			\$732,326
Rural Business Opportunity Grant			
County	Grantee	Type of Project	\$ Amount
Sullivan/Ulster	Sullivan/Wawarsing REAP Corp.	Tech. Assistance & Planning	495,000
Total Obligated RBOG Funds			\$495,000
Intermediary Relending Program Loans			
County	Borrower	Type of Project	\$ Amount
Jefferson, Lewis, Franklin, Hamilton, Clinton, St. Law.	North Country Alliance	Revolving Loan Fund	500,000
Orange	Port Jervis Community Dev. Agency	Revolving Loan Fund	250,000
Tioga	Tioga County Local Dev. Corp	Revolving Loan Fund	300,000
Total Obligated IRP Funds			\$1,050,000



## Cooperative Development Promoted by RBS Programs

The Cooperative Services Program of RBS helps rural residents form new cooperative businesses and improve the operations of existing cooperatives through technical assistance. Fiscal Year 2000 saw the incorporation of three new cooperatives. These cooperatives represent diverse interests and all have received community support.

**Co-op Plus of Greater Rochester** is an energy aggregation and service cooperative. They incorporated as a general co-operative under the New York Co-operative Corporations Law and are currently raising funds and/or financing from their members. **Over 200 members have joined.** USDA Rural Development in partnership with the Cooperative Development Institute (CDI) has provided resources, funding, and technical assistance to Co-op Plus of Greater Rochester over the past two years. **They are the first of five energy aggregator cooperatives to incorporate.** Others are forming in Ithaca/Tompkins County, Syracuse, Eastern Adirondacks, and on the St. Regis Mohawk Reservation. They will continue to receive assistance.



**DeRuyter Farm and Garden Cooperative** was formed as a means to purchase the DeRuyter Agway retail store. Agway was going to close the facility, and move its farm and feed services to distant locations. The local farmers and community organized to keep the services in the area. Assistance was provided to guide them through the organizational process and to direct them to appropriate legal representation. **DeRuyter Farm and Garden Cooperative began business on June 12, 2000 in the same building that Agway closed on June 10, 2000.** They will remain an Agway dealer, and continue to offer many of Agway's products, but will be independent to purchase products and services from various vendors and suppliers based on membership demand. The initial public meeting to present the concept of forming the cooperative and assess community support yielded financial commitments of over 50% of the required funds to start this business. The majority of funds that were necessary to purchase the facility and inventory were raised through sales of both common and preferred stocks.

**Seneca Earth Works Farmers Market Cooperative**, which is located on the Seneca Lake waterfront in **Watkins Glen** was the result of a continued effort and working relationship between Rural Development and the **Schuyler County Office of Planning and Economic Development, Inc.** Seneca Earth Works operated two pavilions twice a week, with 35 plus members offering goods that range from fresh seasonal commodities and crafts, to processed products such as jams, cheeses, and wines.



## Rural Utilities Service (RUS)

The millennium year 2000 proved to be the most diverse, and largest in the history of the Rural Utilities Service in New York. New York State has benefited from access to all RUS Program offerings thus maximizing all program opportunities.

Through the RUS programs, water and/or wastewater service was provided to **19,883 users**. New York State ranked **No. 5 in the nation for water/wastewater loans** and **No. 3 in the nation for grants approved**.

**Leveraged** funds through RUS funding partners totaled **\$37,015,658**. In addition to our water and wastewater programs RUS administered the funding of 2 additional projects that were approved by the **Appalachian Regional Commission (ARC) and/or the Economic Development Administration (EDA)**. These projects totaled **\$1,302,000**.

## Special Initiatives

**Water 2000** was a Presidential Initiative that confronted the difficult challenge of providing safe, affordable

drinking water in virtually every home. The effort was necessary to improve the health and productivity of the nation's rural communities. The program represented '*doing the right thing*' by making sound, support able investments in people. During Fiscal Year 2000, New York Rural Development successfully **funded seven (7) Water 2000 projects** (see following pages).

RUS Loans And Grants (Direct)				
County	Project Name	Type	\$ Loans	\$ Grants
Allegany	Village of Angelica	Water	0	459,300
Allegany	Town of Friendship	Sewer	0	781,300
Cattaraugus	Village of Cattaraugus	Water	245,500	258,100
Cattaraugus	City of Olean	Water	5,947,000	1,053,000
Cattaraugus	Town of Olean (South Olean)	Sewer	120,000	207,000
Cattaraugus	Town of Yorkshire	Water	102,300	42,500
Cayuga	Town of Springport SD 1	Sewer	934,100	0
Cayuga	Town of Springport WD 1	Water	1,692,400	457,600
Erie	Town of Boston	Water	1,971,800	416,500
Erie	Town of Marilla WD 4	Water	106,700	0
Franklin	*** St. Regis Mohawk Tribe (Also received Indian Set-Aside grant -\$550,000)	Water	0	50,000
Greene	Town of Cairo	Sewer	120,000	360,000
Greene	Town of Cairo	Sewer	151,600	198,400
Hamilton	Town of Indian Lake	Sewer	100,000	616,900
Jefferson	Town of Cape Vincent	Water	191,200	522,500
Jefferson	Town of Champion WD 3	Water	398,100	401,900
Jefferson	Village of Chaumont	Sewer	0	912,400
Jefferson	*** Town of Henderson WD 1	Water	100,000	757,300
Jefferson	** Town of Leray	Sewer	100,000	1,640,700
Livingston	Livingston County WD Zone 2/WD 1	Water	138,125	96,875
Madison	Village of Morrisville	Sewer	898,600	741,400
Montgomery	Village of Fort Johnson	Sewer	71,200	800,000
Oneida	Village of Boonville	Sewer	603,000	562,000
Oneida	Town of Deerfield Phase II	Water	313,200	377,800
Oneida	Town of Floyd	Water	330,100	404,400
Orleans	Town of Albion WD 4	Water	70,000	209,900
Orleans	Town of Albion WD 5	Water	1,095,500	505,800
Orleans	Village of Lyndonville	Water	594,900	0
Orleans	Town of Ridgeway WD 3	Water	713,000	300,000
Orleans	*** Town of Ridgeway WD 4	Water	1,300,700	587,300
Oswego	Town of Hannibal	Water	0	100,700
Oswego	Village of Sandy Creek	Water	2,254,000	371,000
Putnam	Village of Brewster	Water	327,400	0
St. Lawrence	Town of Dekalb	Sewer	100,000	375,000
St. Lawrence	Town of Massena (East Massena)	Water	100,000	493,700
St. Lawrence	Town of Norfolk	Water	585,900	0
St. Lawrence	Town of Stockholm	Sewer	25,500	70,500
Saratoga	Village of Round Lake	Sewer	1,128,000	372,000
Saratoga	*** Village of Round Lake	Water	685,100	554,900
Schenectady	Town of Princetown 2A, Ext. 1	Water	480,700	330,668
Schenectady	Town of Princetown 2B, Ext. 1	Water	161,100	82,800
Schenectady	Town of Princetown 2C, Ext. 1	Water	76,100	7,000
Tioga	*** Town of Owego#	Sewer	215,100	0
Tioga	*** Town of Owego#	Water	218,300	54,700
Ulster	*** Town of Wawarsing#	Water	2,155,000	0
Wayne	Town of Arcadia WD 4	Water	509,200	80,800
<b>Total Obligated Funds</b>			<b>\$27,430,425</b>	<b>\$16,614,643</b>
Total Allocated Funds			\$27,512,000	\$16,614,643
** Denotes Earth Day Project *** Denotes Water 2000 # Denotes REAP Projects				

## 7 Water 2000 Projects - our biggest year for this Presidential Initiative!

**Town of Ridgeway (Orleans County)**---The rural **Town of Ridgeway** requested Rural Development's assistance to obtain funding for a water district. Around the same time, the **Orleans County Fairgrounds** (located in the same community) approached the Batavia Rural Development office asking for a full grant to obtain a system for potable water. The fairground was under orders by the NYS Commissioner of Health to improve the water system prior to the start of the fair in July 2000 or face being shut down. The option appeared to be to disinfect three wells by chlorination (due to the high sulfur content, water could only be used for hand washing and use of the toilets). In the past the fair trucked municipal water to the site for drinking, cooking and watering livestock. These options were costly and short-term. Since this **4-H fair** is a popular event for Orleans County benefiting the area's youth and bringing needed revenue into the local area, a long-term solution seemed to be the best approach.

Although a full grant was not feasible, Rural Development Community Development Manager Tom Mazerbo arranged a meeting between town officials, a grant administrator, an engineer, the county fair board and attorneys to discuss bringing the Town's and the fairground's requests together. The meeting resulted in an agreement to include families and businesses along the necessary extension to the fairgrounds and obtain more grant funds to accommodate the additional line. The resulting project will involve a "looped" system using existing water systems from the **Village of Albion** and the **Village of Medina**. Rural Development in New York funded a **\$300,000 loan** and a **\$300,000 grant** from reserve funds. A total of approximately **231 equivalent dwelling units (EDU's)** are affected by this project.



*L-R: J.T. Gidley, Town Supr., Town of Ridgeway; Tom Mazerbo, RD Community Development Mgr.; U.S. Rep. John LaFalce (29th Dist.) at the Town of Ridgeway Water 2000 Celebration.*



*L-R: Dean Morgan, Planning Dept., Town of Owego; Dick McCormick, Southern Tier East Regional Planning Board (STERPB); Tom Gartung, Rural Development Mgr.; Carol Sweeney, Supr., Town of Owego; Marge Evaneck, RD Community Development Specialist; Lynn Cebula, STERP; Chris Nill, N.E. Rural Community Assistance Program (RCAP) at the Owego Water 2000 event.*

**Town of Owego (Tioga County)**---The Town of Owego received approval for funding of two projects under the Water 2000 announcements: **The Stephens Road Sewer project** and the **Town of Owego Water Systems Improvement project**. With Tioga County being one of the nation's four **REAP zones** and also designated as a **White House community-based Livable Communities pilot project**, funding was derived from a **EZ/EC/REAP set-aside** from Rural Development. The sewer project will extend an existing sewer line in order to serve two mobile home parks in **Apalachin, NY**. In addition to the **\$215,000 low interest loan** from Rural Development, the project will receive **\$200,000 in grant** funds from the Apalachin Regional Commission. A total of **144 EDU's** will be benefited by this project.

The Town of Owego Water Systems Improvement project will affect a total of **121 EDU's**. Funds will be used to extend an existing water line to the mobile home parks. The set-aside National Office funding will be in the form of a **\$218,400 loan** and a **\$54,700 grant**. Both of these projects were identified under a benchmark developed by the **Tioga REAP Local Development Corporation's strategic plan**, and endorsed by the local REAP board. Because of the REAP and Livable Communities designation, the projects received priority status for Water 2000 funding.

**Village of Round Lake (Saratoga County) ---** The Village of Round Lake Water Systems Improvement project will construct a water distribution system serving **292 EDU's**. Under the Water 2000 Initiation Rural Development announced a **\$685,100 loan** and a **\$554,900 grant**. Other funding includes a **\$173,700 grant** and a **\$216,300 loan** from the **NYS Drinking Water State Revolving Fund (NYS DWSRF)** for a water transmission line. During Fiscal Year 2000 Rural Development also funded a **loan of \$1,128,000** and a **grant of \$372,000** toward for project.



*L-R: Dixie Sacks, Mayor, Round Lake; Assemblyman Robert Prentiss and Roy Wittich, Rural Development Manager at the Round Lake Water 2000 event.*



*L-R: Kris Dimmick, Engineer, Bernier, Carr & Associates and Tracy Sigouin, RD Community Development Manager, Watertown Office at the Town of Henderson Water 2000 ceremony.*

perseverance -- including a letter sent to President Clinton -- paid off in affordable financing under the Water 2000 initiative. The project was awarded a total of **\$100,000 in loan funds** and a total of **\$757,300 in grant funds** from Rural Development. In addition, **\$1,063,700 loan funds** and **\$2,000,000 in grant funds** are being allocated from the **NYS DWSRF**.

**St. Regis Mohawk Tribe (Franklin County)---**The St. Regis Mohawk Tribe was approved for **\$600,000 in RD grant funds** for a water filtration facility. The grant funding came from a National Office **Indian set-aside** fund (\$550,000) as well as from the Rural Development New York's grant allocation (\$50,000). The project will also be leveraged by the **Indian Health Service, Environmental Protection Agency, the Akwesasne Housing Authority and the NYSDERDA for a total project cost of \$2,162,600**. The project will add a total of approximately **65 new residential EDU's** to a system which will serve a **total of approximately 650 EDU's** (approximately 510 currently are residential and 40 classified as "other"). A total of 98 per cent of the people served on the St. Regis Mohawk water line are of **Native American** descent.

**Town of Wawarsing (Ulster County)---** Located in the western portion of Ulster County, the Hamlet of Napanoch was in desperate need of a municipal water supply. The residents' well water was extremely hard, with unacceptable levels of coliform bacteria, low output and the hamlet lacked an adequate water supply for fire fighting. **The Town of Wawarsing /Hamlet of Napanoch Water District project** was approved for a **loan of \$2,155,000** under the funding from Rural Development. The funds will be used to regionalize and expand the Napanoch water district. Additional funds came from grants from the Village of Ellenville, Town of Wawarsing, and the Napanoch Fire Company. The project is a benchmark identified in the Sullivan/Wawarsing REAP zone's strategic plan.



*L-R: James Bays, RD State Director; U.S. Rep. Maurice Hinchey (26th Dist.); Dr. Richard Craft, Supr., Town of Wawarsing (Ulster Co.) at the Water2000 project announcement.*



**Earth Day** represents a similar initiative by the President targeting wastewater collection and treatment in rural areas. This program links environmental and public health in its **Clean Water Action Initiative**.

**Route 3 - Black River Corridor Sewer Project (Jefferson County) ---** New York's **Earth Day** Celebration for Fiscal Year 2000 took place in the **Village of Black River**. The event commemorated the funding of Phase I of the project -- the Village of Black River - North. Construction of the system in this phase will consist of a wastewater collection pipeline (gravity, forcemains, and pump station). This system is needed as on-site septic systems have been failing and contaminating the Black River. The new pipeline will be connected to an existing **Development Authority of the North Country (DANC)** line through Fort Drum, and finally will be treated at the **City of Watertown** wastewater treatment plant. When all phases are complete the project will encompass five service areas, making up a regional sewer system. Each service area is located in the watershed of the Black River, which is the potable water supply for the City of Watertown and the Fort Drum Military Base. A regional solution offers affordable operation and maintenance, uniform user (EDU) cost, regional environmental assessment, shared soft costs (engineering, legal and administrative) as well as a watershed approach to protecting the Black River. Funding for this Earth Day project comes from a loan and grant from **Rural Development**, a **New York State Member Item Grant**, and a **New York State Clean Water State Revolving loan fund** for a **total project cost of \$3,500,000**.



*L-R: Ron Taylor, Supervisor, Town of LeRay; Tom Gartung, RD Mgr.; Doris Gorham, Mayor, Black River; Ray Mallette, Supervisor, Town of Pamela; and Gilbert O'Dell, Supervisor, Town of Rutland at Black River-North Phase of the Route 3 Corridor Sewer Project's Earth Day Celebration.*

Each of these initiatives (Water 2000 and Earth Day) require extensive investment, strategic targeting of funds, strong leveraging and have a broad impact on Rural America. They represent the best in reinvented, more customer-friendly government. Through the **Earth Day and Water 2000 Initiatives**, New York State approved **8 projects totaling \$16,634,700**.

## Distance Learning and Telemedicine Loan and Grant Program

The RUS Distance Learning and Telemedicine Loan and Grant Program provides grant and loan funding for rural schools and medical facilities in order to bring them the latest in computer technology, providing them with the connections and data that are available to more populated, urban centers.



*Photos courtesy of Sullivan County BOCES*

*Clockwise from top left: Eldred Campus, Liberty Campus, Roscoe Campus, and Tri Valley Campus - the four Distance Learning Labs in the Sullivan County BOCES system funded through the RUS Distance Learning & Telemedicine Program..*

**Fiscal Year 2000 brought distance learning/telemedicine funding to the following projects:**

<b>Distance Learning/Telemedicine (DLTM)</b>			
<b>Counties Served</b>	<b>Project Name</b>	<b>\$ Loans</b>	<b>\$ Grants</b>
Allegany/Cattaraugus/ Chautauqua/Erie/Genesee	Cattaraugus-Allegany-Erie- Wyoming BOCES	0	344,762
Erie/Livingston/Orleans/ Steuben/Wyoming	Daemen College	0	106,700
Jefferson	Town of Clayton	613,636	61,364
Jefferson/Lewis	Copenhagen Central Schools	0	325,741
Chenango/Jefferson/Lewis/ St. Lawrence/Wyoming	Research Foundation for Mental Hygiene, Inc.	0	111,014
Sullivan	Sullivan County BOCES	0	140,451
<b>Total Obligated Funds</b>		<b>\$613,636</b>	<b>\$1,090,032</b>

## **Other RUS Programs and Funding**

<b>RUS Guaranteed Loans</b>				
<b>County</b>	<b>Project Name</b>	<b>Type</b>	<b>\$ Loans</b>	<b>\$ Grants</b>
Greene	Windham Ridge Water	Water	50,000	
<b>Total Obligated Funds</b>			<b>50,000</b>	
Total Allocated Funds			1,684,000	
<b>Appalachian Regional Commission/Economic Development Administration</b>				
<b>County</b>	<b>Project Name</b>	<b>Type</b>	<b>\$ Loans</b>	<b>\$ Grants</b>
Cattaraugus	Village of Cattaraugus (ARC)	Water	0	150,000
Cattaraugus	City of Olean (EDA)	Water	0	1,000,000
<b>Total Obligated Funds</b>				<b>\$1,150,000</b>
Total Allocated Funds				\$1,302,000

## **Program Highlight**

**St. Regis Mohawk Tribe (Franklin Co.)** received a **\$550,000 grant** through a national office **Indian Set-Aside**. With this, and additional RD and other funds (see page 11) the tribe was able to fund a water filtration project serving **65 new residential EDU's**.

## **Technical Assistance and Training Grants**

**New York State Rural Water Association (NYSRWA)**—The current wastewater/water on-site technical assistance program for small municipal and rural systems provides assistance in the areas of treatment, operation/maintenance, management and finance; all building the "capacity" of these systems. There are six full-time "circuit riders" providing technical assistance in New York State.

**Northeast Rural Community Assistance Program (NERCAP)**—This program targets on-site technical assistance and community specific training to address water and waste disposal issues in rural New York State. There are five full time NERCAP staff persons serving rural New York State as Technical Assistance Specialists.

**Solid Waste Management Program**—Only New York State has combined elements from the New York Rural Water Association and the Rural Community Assistance Program to have a joint **Solid Waste and Management Training and Technical Assistance Program**. This program deals with a variety of solid waste management issues including farm waste management, pesticide stockpile clean-up, biosolids management and the management of household hazardous wastes. General assistance is provided to local policy makers and solid waste officials under this program.

**Water Systems Council**—New York was one of five states nationally to receive the "Wellcare"™ program. This program is designed to educate decision-makers, municipal regulators (NYS Department of Health, NYS Department of Environmental Conservation and the NYS Department of State, etc.) about well water as an alternative to central water (surface water) systems. A one-day workshop in June hosted approximately 80 persons representing county health department officials, well drillers, consulting engineers and equipment vendors/manufacturers.

## Community Facilities (CF)

The CF program provides loans, grants and loan guarantees to public bodies, not-for-profits and Indian tribes for health care, public safety, telecommunications, public improvements, community support and educational services. **New York State ranked No. 10 in the nation for CF grants approved, No. 5 for direct CF loans and No. 4 in dollars approved for loan guarantees.** Continued partnering in Fiscal Year 2000 provided **\$4,737,596 in leveraged funds** from other sources.

### PlayYard Concepts, Inc.

**Community Facilities approved a loan for \$50,000 and a CF grant for \$18,000 for the purchase and renovation of an existing building to be used as a daycare center that will serve 44 children.** This project is located in **Apalachin, NY (Tioga County)**, which is within the designated REAP Zone. **The total project cost equals \$153,000.**

The applicant has leveraged

**\$85,000** through the following sources:

1) **United Way**; 2) **NYS Office of Child & Family Services**; 3) **Small Business Administration**; and 4) **the local community.**

There has been tremendous support from the local community in getting this project off the ground through donations, volunteer activities in fund raising and in clean-up/repair of the facility. Childcare services remain inadequate and necessary throughout New York State. This facility will help meet the needs of the local and surrounding communities.

### All Babies Cherished, Inc.

This project received a **CF loan of \$65,000** and a **CF grant of \$10,000** for the purchase and renovation of a house to be used as a women's shelter and counseling center for a variety of women's issues including teen pregnancy, parenting, and other health related issues. The facility is located in **Batavia (Genesee County)** and will serve the residents of **Genesee, Wyoming, Orleans, and Monroe** counties. **Leveraging for working capital totals \$9,100** from the **United Way and the local community.**

Community Facilities Direct Loans & Grants			
County	Project Name	\$ Loans	\$ Grants
Cattaraugus	Cattaraugus Econ. Dev. Zone Corp.	200,000	
Delaware	Rainbow Infant Toddler Day Care Inc.	275,000	35,000
Genesee	All Babies Cherished, Inc.	65,000	10,000
Genesee	Genesee Co. Agricultural Society	40,000	20,000
Genesee	Indian Falls Fire Department, Inc	79,000	20,000
Niagara	Wrights Corners Fire Company	750,000	0
Orleans	East Shelby Vol. Fire Company, Inc.	0	22,000
Orleans	Oak Orchard Comm. Health Center	665,000	0
Orleans	Rainbow Realty Development Corp.	95,000	13,000
St. Lawrence	Potsdam Volunteer Rescue Squad	600,000	0
Saratoga	Saratoga County EOC	450,000	0
Saratoga	The Childrens Museum at Saratoga	750,000	0
Tioga	# Play Yard Concepts, Inc.	50,000	18,000
Tompkins	Ulysses Philomathic Library	165,000	0
Ulster	Village of Ellenville	414,700	0
Wyoming	Caring About Perry, Inc.	55,000	25,000
Wyoming	Village of Perry	130,000	0
Wyoming	Village of Perry	426,500	0
Wyoming	Varysburg Fire Department, Inc.	300,000	0
<b>Obligated Funds</b>		<b>\$5,510,200</b>	<b>\$163,000</b>
<b>Leveraging: \$4,710,614.00</b>			
# Denotes REAP Zone Project			
Community Facilities Guaranteed Loans			
County	Project	\$ Loans	\$ Grants
Montgomery	Amsterdam Memorial Hospital	3,500,000	
St. Lawrence	Potsdam Volunteer Rescue Squad	1,700,000	
<b>Total Obligated Funds</b>		<b>\$5,200,000</b>	



## Ulysses Library

Two (2) CF loans totaling \$365,000 and a CF grant of \$20,000 were approved for the construction of a new library in the Village of Trumansburg (Tompkins County), which will serve the local residents and surrounding communities. Leveraged funds equal \$680,000 from the New York State Assembly, the local community, the applicant, Tompkins County Trust Company and local foundations.

## The Children's Museum at Saratoga

A \$750,000 CF loan was approved in order to purchase and renovate an existing building to be used as a children's museum. This facility will provide services for educational needs of **children between the ages of 2 and 10**, by providing interactive exhibits, as well as, a parent resource center. The museum will also sponsor educational workshops and special programs for children. **More than 2,000 students visit the museum annually.** The facility is located in Saratoga Springs (Saratoga County). Leveraging equals \$400,000 from the New York State Assembly and a local capital campaign.

## Rainbow Infant Toddler Day Care, Inc.

*"Rainbow has helped me in many ways...if you're having trouble with (school) work they help." -- Cara Spaziani, President of the Student Body at Rainbow After School program.*

Rainbow Infant Toddler Day Care, Inc. is a well-established not-for-profit organization that has been in operation since 1985 at various locations in Sidney, NY. However, their day care program grew to the point that they could not meet the state child/staff ratio in the limited space at the facility they owned. They had looked at several properties for several years without success. Finally they found a parcel that met their requirements in 1999. They came to Rural Development to request funding for renovation of a building that was attached to the existing building that they purchased in 1999. The expanded facility will reestablish their day care center program and create an anticipated 16 new jobs. They will serve **58 day care and 30 school age children.**



L-R: Ray Friedrich, Rainbow Corp.; U.S. Rep. Sherwood L. Boehlert (23rd Dist.); Cara Spaziani, President of the Student Body; Tom Gartung, RD Manager; and Annette Friedrich, Director, Rainbow Infant-Toddler Day Care, Inc. at the open house for Rainbow Infant-Toddler, Inc.

legal work, dietary consultation, and many other items. Rural Development is providing funding for this project in the amount of a **\$275,000 Rural Development Loan and a \$35,000 Rural Development Grant.**

Photo courtesy of Rainbow Infant-Toddler Day Care



Rainbow After-School children and teachers. CF funds will enable the center to accommodate infant and toddler day care.

**Rainbow has strong connections to the local community.** They have developed a network of more than twenty community, educational, and business organizations with which they coordinate activities and participate in special events. They visit nursing homes, volunteer to clean up local parks and public buildings as part of their environmental learning program, integrate foreign students into their program by hosting an annual International Week, perform puppet shows at local schools concerning nutrition and fire safety, etc. As a result of their strong community involvement they have received strong community support for this project. **They have successfully raised over \$100,000** in funding from various sources such as **O'Conner Foundation, Delaware County Dept. of Social Services, New York State Office of Children and Family Services.** There were more than **40 community volunteers** that aided in renovating a portion of the existing building so that they could operate the Latch Key program until the renovations for the day care program were completed. They have received commitments for donations from people in the form of services such as

# Rural Housing Service (RHS)

## Single Family Housing (SFH)

*Rural Housing Service finances more than housing. We finance homes!*

The Rural Housing Service works to improve quality of life for rural residents of New York by ensuring that they have access to safe, well built, affordable homes. Homeownership promotes economic stability for families, creating equity to finance education, small business or retirement. Homeowners also become neighborhood and community builders, enhancing the rural communities where they live. RHS promotes community building in rural New York by providing direct and guaranteed loans to low and moderate income families. These loans are for the purchase, construction, rehabilitation or relocation of an eligible dwelling.

## Section 502 Home Purchase Program

Our Section 502 Direct Single Family Housing program provides payment assistance to qualified borrowers by subsidizing interest as low as one percent. This payment assistance makes home ownership affordable for those families with limited household incomes. For those families with low to moderate incomes, RHS offers the guaranteed loan program. There is no down payment requirement and the participating lender can often include closing costs in the mortgage. Lack of a down payment often prevents prospective homebuyers from obtaining a loan from private lenders, so the RHS guaranteed program increases the number of rural residents able to buy homes.



*Elijah VanWyngaarden takes his little sister Carson for a ride in front of their new home in Batavia, New York.*

### *One Family's Success Story*

The VanWyngaarden family consists of Keith and Jamie, their 3-year-old son Elijah, 1-year-old daughter Carson and they are expecting their third child in April 2001.

Both parents work for a local church, Keith as a minister and his wife as a daycare teacher. The VanWyngaardens were living in an apartment complex and wanted to provide a better home for their family since they were beginning to outgrow their apartment.

In July of 1999, the VanWyngaardens entered the Rural Opportunities Inc. (ROI) Homeownership Program. They began their 15-hour home-buyer education program put on by ROI and started a saver's grant program with the Bank of Castile called the First Home Club. Through

this program the VanWyngaardens put money in the account every month until they had reached their goal. Their money was matched 3 to 1 by grants from the Bank of Castile and Federal Home Loan Bank.

By March of 2000, they had completed their requirements and began their search for the home of their dreams. They found the perfect house for their needs on a quiet residential street in Batavia.

With a First Home Club grant and a grant from Genesee County HOME Funds they were able to pay their closing costs and principal reduction. They also received a first mortgage from The Bank of Castile, with the balance of the money coming from Rural Development. Trying to save enough money to pay closing costs while raising two small children on their limited income was made much easier under this program.

ROI staff guided the VanWyngaardens throughout the whole process including applying to the Bank of Castile and Rural Development. Keith and Jamie stated that this made the whole process much easier and enabled them to get a house that they would not otherwise have been able to afford. The combining of the various grant and loan programs provided the funds to pay closing costs and also reduce their monthly payments to a level they could afford. This made the dream of owning a home a reality. They closed on the 3-bedroom, one bath, two-story home in June of 2000, moving that same week. They are thrilled to be raising their family in their new home.

## Section 504 Home Repair and Rehabilitation Program

RHS also offers home improvement and repair loans and grants under the Section 504 program to assist very low-income rural homeowners remove health and safety hazards from their homes and to make them accessible for individuals with disabilities. The interest rate for these loans is fixed at 1% and can be amortized over a period of twenty years, thereby keeping payments affordable. Grants are available for people 62 years old or older who cannot afford to repay a loan.

*"I wouldn't have been able to afford the windows, furnace and roof repairs without the loan and grant assistance from Rural Development. I winterized my home and was able to cut down on my fuel bill."*

*-- George Teachout, Chittenango, New York*

### *Home Repair Program helps Senior Citizen Winterize Home*

Funds from the 504 Repair Program assisted George Teachout by making it possible for him to obtain new vinyl replacement windows, a new roof and a new furnace for his home in Chittenango, New York. Mr. Teachout received a one percent (1%) loan along with some grant funds in order

to finance winterizing his home. Mr. Teachout was very pleased with the assistance he received and would like more senior citizens and low-income families to know about Rural Development's 504 repair and rehabilitation program.

During Fiscal Year 2000, we were able to assist **903 families** in the **purchase, construction, or repair of homes**. Our SFH program funded **\$24,196,619 in direct loans and grants** and **\$20,385,457 in guaranteed loans**. Funds leveraged with other sources amounted to **\$1,465,718**. Without Rural Development's SFH program assistance, these rural residents would not have been able to finance their homes.

## Partnerships

In fiscal year 2000, the local offices continued to partner with non-profit organizations and area lenders. These leveraging strategies enable Rural Development to assist more families by spreading our funding allocation further. The largest partnership continues to be with **Rural Opportunities, Inc., Bank of Castile, M&T Mortgage, HSBC, Federal Home Loan Bank** and the local **Rural Development office in Batavia, New York**. In fiscal year 2000, **twenty-five (25) families became homeowners as a result of this successful Rural Home Loan Partnership (RHLP)**. A new RHLP was also established with **Housing Resources of Columbia County, Inc.**, participating lenders on board, and the local **Rural Development office in Greenwich, New York**.

## Multi-Family Housing (MFH)

Rural Development Multi-Family Housing programs provide a number of finance options to developers of low-income community housing. RHS assistance to individual residents of multi-family dwellings comes primarily in the form of rental assistance. Rent subsidies under the Rental Assistance Program ensure that elderly, disabled, and low-income residents of multi-family housing complexes financed by RHS are able to afford rent payments. With the help of the Rental Assistance Program, a qualified applicant pays no more than 30% of his or her income for housing.

Residents of multi-family housing complexes built under both the Rural Rental Housing Program (Section 515) and the Farm Labor Housing Program (Section 514) are eligible to apply for the Rental Assistance Program.



*Upper Crown Landing Apartments, Marcellus, NY -- a MFH project which broke ground in April 2000.*



<b>515 MFH Projects Funded in Fiscal Year 2000</b>							
<b>County</b>	<b>Applicant</b>	<b>Project/Location</b>	<b>Units</b>	<b>Family/ Elderly</b>	<b>RD \$</b>	<b>Home/ HTF \$</b>	<b>Tax Credit \$</b>
Tioga	Newark Valley, Limited Partnership	Newark Valley Apts., Newark Valley, NY <sup>#</sup>	18	Family	259,065	521,972	733,243
Onondaga	Jordan Associates IV, Limited Partnership	Old Eire Place Apts. Jordan, NY	24	Elderly	239,000	730,515	1,439,935
Columbia	Stottville Limited Partnership	Stottville Sr. Apts. Stottville, NY	28	Elderly	376,433	740,763	1,083,187
Yates	Meadowside Associates, LLC	Meadowside Apts. Penn Yan, NY	40	Family	531,500	1,050,000	1,854,418
Steuben	Pine Tree Village, Limited Partnership	Pinetree Village Sr. Apts., Painted Post, NY	35	Elderly	480,060	782,894	1,545,397
Niagara	Wilson Apartment Partnership, Limited Partnership	Wilson Country Estates II Wilson, NY	24-30	Family	315,000	646,300	918,000
Orange	Montgomery Housing Co., I Limited Partnership	Montgomery Senior Apts., Montgomery, NY	24	Elderly	349,660	0	480,780
<b>Total Dollars</b>					<b>\$2,550,718</b>	<b>\$4,472,444</b>	<b>\$8,054,960</b>
# Denotes REAP Zone Project							

### ***One Senior Citizen's Experience with RHS Senior Housing***

Mary Hendry lived for years in the city of Syracuse, New York where she and her husband, a firefighter, raised four children. When her husband passed away several years ago, Mary's daughter asked her mother to move in with her family in the rural community of Marcellus located just outside of Syracuse. This move was what Mary calls "Stage 2" of her life.

Mary enjoyed living with her daughter's family and taking care of her 5 grandchildren while her daughter and husband worked. The noise and activity were comforting and invigorating. As Mary says, "Noise is the sound of Living!"

Enter "Stage 3" when Mary's life was to change once again with the news that her extended family was to expand with a grandchild due in 2001. Although this was welcome news, it was apparent that the raised ranch would be too small to comfortably accommodate the growing family.

It was then that Mary's family heard about the new senior apartment complex in Marcellus - Upper Crown Landing. Mary took a look at the new independent living apartment complex and decided that it would suit her needs. Although she would have her own apartment, the building has a site manager on the premises twice a week and a maintenance man who is willing and ready to help out if needed, so there is the comfort of security in the building. Apartments also have a peephole and cords to pull to alert others if residents are in trouble.

Mary's apartment has a bedroom, kitchen, living room, bathroom and plenty of closet space. The apartment complex has a nice, comfortable common area with a fully equipped kitchen for use by residents when entertaining larger groups of friends and family. Her apartment is still close enough to her family that she sees them often.

Mary was anxious at the prospect of "starting all over again" with this new living arrangement, but she is now settled in and enjoying her new surroundings. She's looking forward to greeting new neighbors and making new friends. "Stage 3" isn't so bad after all!



*Mary Hendry enjoying her new apartment at Upper Crown Landing Apartments, Marcellus, NY.*

## MFH Outreach

Throughout Fiscal Year 2000 the Multi-Family Housing staff continued their efforts to connect with partners in order to better serve rural New Yorkers dependent on affordable, safe rental housing. Starting in October 12, 1999, **New York State Division of Housing & Community Renewal (DHCR)** held a meeting with developers to provide information regarding their loan making policies and procedures, which included the leveraged loan program administered in conjunction with Rural Development. George Von Pless, MFH Program Director, was invited to attend and provided information concerning Rural Development's requirements.

The State Office held a meeting with potential **515 Rural Rental Housing developers** on November 18, 1999. Approximately **50 developers** were in attendance. The MFH Program Director explained the leveraged loan program including guidelines and requirements. Each developer was provided with a copy of the application checklist and the designated places list. Mike Bosak, State Architect, addressed the group regarding energy-efficient measures during construction, and handicap accessibility.

Approximately **100 interested persons** gathered on April 25 and 26, 2000 to participate in an **outreach meeting** that focused on information regarding the **Farm Labor Housing (FLH)** program administered by Rural Development. All aspects of the FLH program were discussed.

## Leveraging

New York State Rural Development administers and maintains a successful leveraging program unlike any other. This unique program maximizes the use of multi-family housing funds available through Rural Development and the **New York State Division of Housing and Community Renewal (DHCR)**, as well as a commitment of tax credits obtained by developers to stimulate the development of affordable family and elderly housing. **DHCR provides 80 percent of the financing** with the remaining **20 percent being provided by Rural Development**.

The success of this program can also be attributed to the leveraging of **rental assistance**. DHCR and Rural Development each provide a portion of the rental assistance allowing for **100 percent rental subsidy in each project**.

Since the implementation of this program in 1996, Rural Development in New York State has provided loan funds for the construction of **29 housing projects totaling 784 rental assisted units**. In **Fiscal Year 2000 alone**, we are able to fund the construction of **7 projects totaling 145 subsidized units**. Without the benefits of the leveraged loan program, it would have been possible to provide loan dollars to construct approximately only six projects totaling an estimated 144 units within the last five years.

This unique, yet, successful leveraging program has afforded New York State Rural Development the opportunity to continue providing decent, safe, sanitary and affordable housing in the rural areas of New York State.

*"Southern Hills Preservation Corporation (SHPC) has used the U.S. Department of Agriculture's 515 program alone and in combination with other state and local funds... Without the 515 program, the low-income seniors and disabled of Marcellus would be forced out of their hometown, or living in expensive rentals that consume their very limited incomes. The 515 program and attendant rental assistance have been the lynchpin in the financing of these projects (Nine Mile Landing and Upper Crown Landing Apartments, Marcellus, NY)."*

*--- Julee Johnson, Executive Director, SHPC*